

State of Alaska FY2003 Governor's Operating Budget

Department of Education and Early Development Early Development Budget Request Unit Budget Summary

Early Development Budget Request Unit

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BRU Mission

To provide early child care and education programs. (HB 250)

BRU Services Provided

Child care programs provide financial support for eligible parents to have their children in safe child care programs while they work. These programs also support standards of child care and assist providers in increasing their educational training.

The Child Care Assistance program pays direct child care subsidy costs for approximately 5,400 children per month. In addition, it funds components that directly support child care quality programs, including: parent resource and referral services, provider education and training, child care grant support, child care quality enhancement, and consumer education.

The Child Care Licensing program promotes the attainment of national quality standards for licensed centers and homes statewide and investigates consumer complaints.

The Child Nutrition program administers the National School Lunch, School Breakfast, Special Milk, Summer Food, Child and Adult Care food, and Nutrition Education and Training Programs in Alaska for the USDA. This program distributes federal funds, training and resources to eligible schools, child care centers, licensed family day care homes, residential child care institutions, summer camps, homeless shelters, adult day care centers, and national youth sports programs that provide food for children in Alaska.

The USDA Commodity Program provides USDA commodities to school districts, residential child care institutions, child care centers, summer food programs, and charitable and correctional institutions. The Temporary Emergency Food Assistance Program (TEFAP) provides school districts the opportunity to purchase commodity-processed foods to help reduce their meal costs and assists in transportation statewide.

The state Head Start program provides technical assistance and grants to 17 grantees that deliver services to at-risk children and their families, pre-natal through 4 years of age in over 100 communities. These community-based programs provide comprehensive services that contribute and invest in the well-being of families and children in regions across the state.

The principal components of the Alaska Head Start program are community/economic development; education for children, staff, parents, and volunteers; family community involvement; health services, including physical, dental, nutrition, immunizations, health screenings, and referrals/treatment; mental health services; social services; and career development/job training for parents and staff.

The Even Start program provides funding, on a competitive basis, to school districts and community based organization partnerships, to develop family centered education programs to help break the cycle of poverty and illiteracy and improve the education opportunity of low-income families. These grants are based on the three core areas of the Even Start program: Early Childhood Education; Adult Basic Education that leads to economic self-sufficiency; and interactive literacy activities between parents and their children that enable parents to be the primary teachers for their children and full partners in their education.

The Stewart B. McKinney Homeless Grant program ensures that all homeless children and youth have equal access to the same free, appropriate public education, including public preschool education, provided to other children and youth. Through competitive grants, this program facilitates the enrollment, retention, attendance, and educational success in school of homeless children and youth. The program also provides supplemental services for homeless children and youth to achieve higher student academic and performance standards. The program supports and provides technical assistance in the formation of collaboration partnerships among families, schools, communities, and agencies to better identify and serve the homeless children and youth.

BRU Goals and Strategies

- Increase the number of Alaskan families who are aware of and demand safe, healthy, and quality child care conditions for their children.
- Increase available child care service choices for Alaskan families.
- Increase the supply of qualified child care providers and licensed child care facilities.
- Maintain availability of child care subsidies for eligible families.
- Maintain Head Start programs in over 100 communities, and expand to additional communities with state and federal support.
- Market Child Nutrition Programs to school districts and child care programs that do not participate in federal nutrition programs.
- Increase commodity processing opportunities on behalf of school districts in order to reduce food service expenditures.

Key BRU Issues for FY2002 – 2003

Research links optimal early development with quality early childhood education.

- Children benefit when non-parental caregivers are well qualified, well trained and well compensated; when child-adult ratios allow for responsive care; when facilities are safe, comfortable and well maintained; and, when activities are engaging and age appropriate.
- Federal legislation now allows for the state to target and fund snacks for in-school/after-school youth programs.
- Coordination of child care licensing functions within other child care programs to develop a comprehensive system for early development helps to ensure safe, healthy and nurturing environments for Alaska's pre-K children.
- Alaska's children face many challenges:
- A large percentage of Alaska's children continue to live at or below poverty level.
- Nearly 1 in 5 children ages 5 and under have lived in poverty at some point in time.
- Family economic pressure, welfare reform, single-parent homes, and other factors contribute to an increased demand for out-of-home child care and early education.
- 538 of 3,649 children (approximately 15%) enrolled in Head Start in 2001 were diagnosed with a disability.
- Head Start children in Alaska have more dental disease than preschool children in 'lower 48' programs.
- 425 children in Head Start remain uninsured even though Denali Kid Care has greatly increased the number of children insured.
- The demand for child care subsidies remains constant.
- Less than one-half the children in Alaska who have access to school lunch have access to school breakfast.
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Major BRU Accomplishments in 2001

- Forty-seven (47) school districts participated in the school lunch program serving 49,471 students on an average daily basis.
- Twenty-eight (28) school districts participated in the school breakfast program serving 9,581 students on an average daily basis.
- One hundred and six (106) Child Care Food Program sponsors served 6,899 children and adult day care recipients on an average daily basis.
- Distributed \$2,922,880 in USDA commodities to eligible recipient agencies statewide.
- Approximately 70% of Alaska School Districts took advantage of Commodity Processing, which enables districts to obtain products that they would normally pay a higher price for through commercial channels.
- Distributed \$21,161,000 in program subsidies through local program administrators.
- Supported employment of eligible low-income families by subsidizing child care costs for approximately 5,400 children per month.

Key Performance Measures for FY2003

Measure:

the percentage change in the number of children served in licensed and in registered child care facilities;
Sec 51(b)(1) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

Children served (capacity) in licensed care from FY00 to FY01 decreased 6% or 996 spaces

Children served (capacity) in registered care from FY00 to FY01 decreased 11% or 700 spaces

Benchmark Comparisons:

	FY2000	FY2001
No. of Licensed Facilities	609	580
Capacity/Served	16,505	15,509
No. of Registered Facilities	2,028	1,456
Capacity/Served	6,524	5,824

Effective July 1, 2001, the Department of Education & Early Development took over the statewide responsibility for licensing child care facilities. New child care regulations have been adopted that will improve quality care and move facilities from a category of registered care to licensed care. Registered care is limited to having no more than 4 children in care, including the provider's own children, and is not eligible for the child care grant program.

This combination of factors contributed to the slight decrease in the capacity served from FY2000 to FY2001 as shown in the above chart, i.e.: program transition to different agency and changes in licensing regulations.

Data currently available does not specifically address the measure of number of children served, but rather the capacity, or the number of spaces, for child care available in Alaska. With implementation of new licensing regulations, the number of licensed facilities will increase as the provision for registered care is eliminated. As of January 1, 2002, no new registered facilities will be approved and those facilities will have a transition period to become licensed.

Background and Strategies:

Child care licensing provides consumer protection through quality assurance. Minimum licensing standards should be the floor and not the ceiling. The high percentage of children in licensed facilities indicates that parents, as consumers of child care at all income levels, are seeking quality child care. Incentives are being developed to encourage more providers to pursue licensing.

A high percentage of states have moved to tiered reimbursement rates, paying more for higher quality care. Licensing is usually used to identify the lowest level of quality acceptable for funding, with some states ruling out programs with poor licensing records. There are different ways to distinguish between levels of quality. So far, most states have two levels: licensing and facilities that are both licensed and accredited.

To achieve Alaska's goal of high quality, safe child care, the department is:

1. Revising standards through regulation to reflect the higher expectations of the system.
2. Continuing to provide technical assistance to unlicensed facilities to meet minimum licensing standards.
3. Re-structuring the payment system to provide incentives for achieving and maintaining high quality care.

Measure:

the percentage change in the number of eligible children served in a Head Start program;
Sec 51(b)(2) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

	No. of Children Served FY2000	No. of Children Served FY2001	% Change
Head Start – Ages 3 & 4		2,703	
Early Head Start – Ages 0 to 3		946	
Total	3,483	3,649	4.8

There are approximately 14,500 children eligible for Head Start programs due to family income. In FY01, Head Start served 166, or 4.8% more eligible children than were served in FY00.

Benchmark Comparisons:

Head Start grantees utilize a combination of state and local sources to apply for and receive federal Head Start funds which require a 20% match. Additional local match dollars contributed to the 4.8% increase children served from FY2000 to FY2001. Alaska's goal is to increase the number of children served by Head Start by 2% each year for the next 4 years.

Background and Strategies:

To increase the number of eligible children served in a Head Start program, the department will:
 Improve data collection on children and families served through Head Start programs to target unserved or underserved communities to expand existing programs or establish new programs;
 Support grantees in meeting the 20% match requirement to access additional federal funds targeted for increases in FFY 2003. State funds are essential in helping grantees meet the match requirement.
 Improve the quality of Head Start programs by providing training to head start workers through the System for Early Education Development (SEED) program.

Measure:

the percentage change in the number of staff in child care facilities who received at least 15 hours of training in the current fiscal year;

Sec 51(b)(3) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

Data on this measure is not yet available.

Benchmark Comparisons:

Benchmark Comparisons are not yet available. A data collection system is under development. When completed, this information will serve as a baseline to assess progress in future years. Statewide data will be maintained by EED and individuals will be able to add to their training profiles as they complete additional training and provide appropriate documentation. A status report will be generated annually.

Background and Strategies:

The division is utilizing federal funds to implement a comprehensive data collection system. The target date for centralizing training data by individual staff members in facilities across the state is June 30, 2002. Initially this information was to be collected by June 30, 2001 however, delayed implementation of the System for Early Education and Development (SEED) program prevented the division from implementing the data collection effort.

Training and credentialing are both strategies for capacity building and achieving higher quality in child care. Alaska's SEED program is implementing a system of professional development for early childhood education that identifies the types of training and education necessary to achieve competency in the areas essential for early childhood programs.

Measure:

the percentage change in the number of children who receive federally funded meals;

Sec 51(b)(4) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

	FY2000	FY2001	% Change
No. of Children	56,647	59,052	4.2%

In FY2001, 59,052 children, or 45% of the eligible population received federally funded meals. This is an increase of 4.2% over FFY2001.

Benchmark Comparisons:

The Child Nutrition Program distributes federal funds for reimbursement of meals served to eligible children and adults in approved agencies. In comparison to other states, Alaska has a good record on school lunch. In FFY 01, Alaska served 45% of the eligible population, as compared with 42.5% in FFY2000.

Background and Strategies:

By including proprietary child care centers in the program, Alaska was able to distribute over \$400,000 in additional federal USDA funds. New centers continue to come into the program on a regular basis.

Measure:

the change in the ratio of registered providers compared to licensed providers.

Sec 51(b)(5) Ch 90, SLA 2001(HB 250)

Alaska's Target & Progress:

	FY2000	FY2001
No. of Registered Providers	2,028	1,456
No. of Licensed Providers	609	580
Ratio	3:1	3:1

Benchmark Comparisons:

New regulations have passed with an implementation date of January 1, 2002, that will eliminate the category of registered care. These regulations enhance the health and safety requirements for children in child care facilities and require registered providers who accept public funds to become licensed. The Department of Education & Early Development is expecting approximately 75% of registered facilities to apply for licensing in FY2002.

Background and Strategies:

Child care licensing provides consumer protection through quality assurance. Minimum licensing standards should be the floor and not the ceiling. The high percentage of children in licensed facilities indicates that parents, as consumers of child care at all income levels, are seeking quality child care. Incentives are being developed to encourage more providers to pursue licensing and minimum licensing standards should be the floor and not the ceiling.

A high percentage of states have moved to tiered reimbursement rates, paying more for higher quality care. Licensing is usually used to identify the lowest level of quality acceptable for funding, with some states ruling out programs with poor licensing records. There are different ways to distinguish between levels of quality. So far, most states have two levels: licensing and facilities that are both licensed and accredited.

To achieve Alaska's goal of high quality, safe child care, the department is:

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Early Development
BRU Financial Summary by Component

All dollars in thousands

	General Funds	FY2001 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2002 Authorized Federal Funds	Other Funds	Total Funds	General Funds	FY2003 Governor Federal Funds	Other Funds	Total Funds
<u>Formula</u>												
<u>Expenditures</u>												
None.												
<u>Non-Formula</u>												
<u>Expenditures</u>												
Child Nutrition	45.1	26,650.8	1.1	26,697.0	46.7	27,990.7	0.0	28,037.4	47.8	27,999.4	0.0	28,047.2
Child Care	5,170.2	7,829.3	15,560.5	28,560.0	5,177.1	16,149.8	14,498.4	35,825.3	5,192.6	16,174.1	18,360.0	39,726.7
Assistance & Licens'g												
Head Start	3,307.4	24.0	2,480.1	5,811.5	3,561.0	3,888.2	2,739.0	10,188.2	4,164.7	235.6	6,066.4	10,466.7
Grants												
Special	69.5	2,252.8	906.0	3,228.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Programs												
Totals	8,592.2	36,756.9	18,947.7	64,296.8	8,784.8	48,028.7	17,237.4	74,050.9	9,405.1	44,409.1	24,426.4	78,240.6

Early Development

Proposed Changes in Levels of Service for FY2003

Child Care Assistance and Licensing

An error in the FY2002 budget did not provide enough authorization in Interagency Receipts for the amount of Temporary Assistance to Needy Family (TANF) funds available for child care programs. Position adjustment included to add 1 PFT 05-2324 Administrative Clerk II, range 8, Anchorage.

Adjust the general fund match requirement for the FFY2002 CCDF grant based on FMAP rate of 46.99%.

Head Start

Federal funds for Head Start Programs are expected to increase and be available directly to Head Start grantees in Alaska. The Governor's budget includes an additional \$500,000 in state general funds that will help grantees meet the 20% matching requirement, strengthen existing program, expand service to additional children and families, and assist programs in meeting federal Head Start performance requirements.

The position transfers of PCNs 05-1021 and 05-1630 and funding from Teaching and Learning Support, Education Special Projects, will align positions with program responsibilities. \$1,004.1

At the time the FY02 budget was prepared, receipt of federal funds for the System for Early Education Development (SEED) was uncertain. As a joint project with the University of Alaska, the federal funds were appropriated to the UA and this fund source change will provide authorization for the interagency receipts for SEED through a budgeted Reimbursable Services Agreement. \$2,500.0

Two additional fund source changes will allow one-time Investment Loss Trust Funds of \$100.0 to be retained as general fund in the FY03 budget, and to correct fund source for \$250.0 Ch 61, SLA 01, sec. 80(e)(2) recorded as GF match to General Fund and retained in FY03.

Delete excess federal authorization due to unrealized funds for education and training for Head Start workers. - \$1,238.0

Alaska Community Service Commission

Transfer 3 positions, PCN 05-2301, PCN 21-309X, PCN 21-317X from Teaching and Learning Support, Education Special Projects component. Establishing a separate single component BRU for the Alaska State Community Service Commission should clarify the role and responsibility of the commission.

Early Development

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	8,784.8	48,028.7	17,237.4	74,050.9
Adjustments which will continue current level of service:				
-Child Nutrition	1.1	8.7	0.0	9.8
-Child Care Assistance & Licens'g	15.5	24.3	2.5	42.3
-Head Start Grants	103.7	-2,414.6	3,327.4	1,016.5
Proposed budget decreases:				
-Head Start Grants	0.0	-1,238.0	0.0	-1,238.0

Proposed budget decreases:**Proposed budget increases:**

-Child Care Assistance & Licens'g	0.0	0.0	3,859.1	3,859.1
-Head Start Grants	500.0	0.0	0.0	500.0
FY2003 Governor	9,405.1	44,409.1	24,426.4	78,240.6